

H.177

Introduced by Representatives Gage of Rutland City, Bancroft of Westford,
Beck of St. Johnsbury, Beyor of Highgate, Burditt of
West Rutland, Canfield of Fair Haven, Cupoli of Rutland City,
Devereux of Mount Holly, Dickinson of St. Albans Town,
Gamache of Swanton, Graham of Williamstown, Hebert of
Vernon, Higley of Lowell, Hubert of Milton, Juskiewicz of
Cambridge, Lawrence of Lyndon, Marcotte of Coventry,
Morrissey of Bennington, Myers of Essex, Savage of Swanton,
Shaw of Pittsford, Shaw of Derby, Strong of Albany, Tate of
Mendon, Terenzini of Rutland Town, and Van Wyck of
Ferrisburgh

Referred to Committee on

Date:

Subject: Health; health insurance; Vermont Health Benefit Exchange; federally
facilitated exchange

Statement of purpose of bill as introduced: This bill proposes to repeal the
Vermont Health Benefit Exchange and transition Vermont to a federally
facilitated exchange for coverage beginning on January 1, 2016.

An act relating to transitioning to a federally facilitated exchange

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. FEDERALLY FACILITATED EXCHANGE

3 On or before June 1, 2015, the Secretary of Administration or designee shall
4 inform the Secretary of the U.S. Department of Health and Human Services
5 that Vermont wishes to transition to a federally facilitated exchange for
6 coverage beginning on January 1, 2016 and that, as of January 1, 2016,
7 Vermont intends to terminate the Vermont Health Benefit Exchange.

8 Sec. 2. 8 V.S.A. § 4080g(a) is amended to read:

9 (a) Application. ~~Notwithstanding the provisions of 33 V.S.A. § 1811, on~~
10 On and after January 1, 2014, the provisions of this section shall apply to an
11 individual, small group, or association plan that qualifies as a grandfathered
12 health plan under Section 1251 of the Patient Protection and Affordable Care
13 Act (Public Law 111-148), as amended by the Health Care and Education
14 Reconciliation Act of 2010 (Public Law 111-152) ("Affordable Care Act"). In
15 the event that a plan no longer qualifies as a grandfathered health plan under
16 the Affordable Care Act, the provisions of this section shall not apply ~~and the~~
17 ~~provisions of 33 V.S.A. § 1811 shall govern the plan.~~

1 Sec. 3. 8 V.S.A. § 4085 is amended to read:

2 § 4085. REBATES AND COMMISSIONS PROHIBITED FOR NONGROUP
3 AND SMALL GROUP POLICIES ~~AND PLANS OFFERED~~
4 ~~THROUGH THE VERMONT HEALTH BENEFIT EXCHANGE~~

5 (a) No insurer doing business in this State and no insurance agent or broker
6 shall offer, promise, allow, give, set off, or pay, directly or indirectly, any
7 rebate of or part of the premium payable on a plan issued pursuant to section
8 4080g of this title ~~or 33 V.S.A. § 1811~~ or earnings, profits, dividends, or other
9 benefits founded, arising, accruing or to accrue thereon or therefrom, or any
10 special advantage in date of policy or age of issue, or any paid employment or
11 contract for services of any kind or any other valuable consideration or
12 inducement to or for insurance on any risk in this State, now or hereafter to be
13 written, or for or upon any renewal of any such insurance, which is not
14 specified in the policy contract of insurance, or offer, promise, give, option,
15 sell, purchase any stocks, bonds, securities, or property or any dividends or
16 profits accruing or to accrue thereon, or other thing of value whatsoever as
17 inducement to insurance or in connection therewith, or any renewal thereof,
18 ~~which~~ that is not specified in the plan.

19 (b) No person insured under a plan issued pursuant to section 4080g of this
20 title ~~or 33 V.S.A. § 1811~~ or party or applicant for such plan shall directly or
21 indirectly receive or accept or agree to receive or accept any rebate of premium

1 or of any part thereof, or any favor or advantage, or share in any benefit to
2 accrue under any plan issued pursuant to section 4080g of this title ~~or~~
3 ~~33 V.S.A. § 1811~~, or any valuable consideration or inducement, other than
4 such as is specified in the plan.

5 (c) Nothing in this section shall be construed as prohibiting any insurer
6 from allowing or returning to its participating policyholders dividends,
7 savings, or unused premium deposits; or as prohibiting any insurer from
8 returning or otherwise abating, in full or in part, the premiums of its
9 policyholders out of surplus accumulated from nonparticipating insurance, or
10 as prohibiting the taking of a bona fide obligation, with interest not exceeding
11 six percent per annum, in payment of any premium.

12 (d)(~~1~~) No insurer shall pay any commission, fee, or other compensation,
13 directly or indirectly, to a licensed or unlicensed agent, broker, or other
14 individual in connection with the sale of a health insurance plan issued
15 pursuant to section 4080g of this title ~~or 33 V.S.A. § 1811~~, nor shall an insurer
16 include in an insurance rate for a health insurance plan issued pursuant to
17 section 4080g of this title ~~or 33 V.S.A. § 1811~~ any sums related to services
18 provided by an agent, broker, or other individual. A health insurer may
19 provide to its employees' wages, salary, and other employment-related
20 compensation in connection with the sale of health insurance plans, but may

1 not structure any such compensation in a manner that promotes the sale of
2 particular health insurance plans over other plans offered by that insurer.

3 ~~(2) Nothing in this subsection shall be construed to prohibit the Vermont~~
4 ~~Health Benefit Exchange established in 33 V.S.A. chapter 18, subchapter 1~~
5 ~~from structuring compensation for agents or brokers in the form of an~~
6 ~~additional commission, fee, or other compensation outside insurance rates or~~
7 ~~from compensating agents, brokers, or other individuals through the~~
8 ~~procedures and payment mechanisms established pursuant to 33 V.S.A.~~
9 ~~§ 1805(17).~~

10 Sec. 4. 8 V.S.A. § 4085a(a) is amended to read:

11 (a) As used in this section, “group insurance” means any policy
12 described in section 4079 of this title, except that it shall not include any
13 small group policy issued pursuant to section 4080a or 4080g of this title
14 ~~or to 33 V.S.A. § 1811.~~

15 Sec. 5. 18 V.S.A. § 7253(2) is amended to read:

16 (2) For the purpose of maintaining the integrity and effectiveness of the
17 clinical resource management system, the Department of Mental Health shall:

18 * * *

19 (C) coordinate service delivery with Vermont’s Blueprint for Health
20 and health care reform initiatives, including the health information exchange as

1 defined in section 9352 of this title ~~and the Health Benefit Exchange as defined~~
2 ~~in 33 V.S.A. § 1803;~~

3 * * *

4 Sec. 6. 18 V.S.A. § 9414a is amended to read:

5 § 9414a. ANNUAL REPORTING BY HEALTH INSURERS

6 (a) Health insurers with a minimum of 2,000 Vermont lives covered at the
7 end of the preceding year ~~or who offer insurance through the Vermont Health~~
8 ~~Benefit Exchange pursuant to 33 V.S.A. chapter 18, subchapter 1~~ shall
9 annually report the following information to the Commissioner of Financial
10 Regulation, in plain language, as an addendum to the health insurer's annual
11 statement:

12 * * *

13 (d)~~(1)~~ The Department of Financial Regulation shall post on its website the
14 standardized form completed by each health insurer pursuant to this section.

15 ~~(2) The Department of Vermont Health Access shall post on the~~
16 ~~Vermont Health Benefit Exchange established pursuant to 33 V.S.A. chapter~~
17 ~~18, subchapter 1 an electronic link to the standardized forms posted by the~~
18 ~~Department of Financial Regulation pursuant to subdivision (1) of this~~
19 ~~subsection.~~

20 * * *

1 Sec. 7. 18 V.S.A. § 9603(a) is amended to read:

2 (a) The Office of the Health Care Advocate shall:

3 (1) Assist health insurance consumers with health insurance plan
4 selection by providing information, referrals, and assistance to individuals
5 about means of obtaining health insurance coverage and services. ~~The Office~~
6 ~~shall accept referrals from the Vermont Health Benefit Exchange and~~
7 ~~Exchange navigators created pursuant to 33 V.S.A. chapter 18, subchapter 1, to~~
8 ~~assist consumers experiencing problems related to the Exchange.~~

9 * * *

10 Sec. 8. REPEAL

11 33 V.S.A. chapter 18, subchapter 1 (Vermont Health Benefit Exchange) is
12 repealed on January 1, 2016.

13 Sec. 9. EFFECTIVE DATES

14 (a) Sec. 1 (transition to federally facilitated exchange) and this section shall
15 take effect on passage.

16 (b) The remaining sections shall take effect on January 1, 2016.